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DD/ST# 3432-64

9 December 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Notes on the "Mark-up" of the FY 66 Budget By the Bureau of the Budget

	I. The original request by the Agency to the bareau
25X1A1a 25X1A1a	of the Budget was for for operations and
	in Reserve. Bureau of the Budget examiners
25X1A1a	changed these amounts by marking down operations to
25X1A1a 25X1A1a	Reserve to the net result being a
25X1A1a	reduction for operations and a second increase in the
	Reserve.
25X1A1a	2. OBPAM states there is a possibility that we will
	ask for a reinstatement of up to : this is about
25X1A1a	all of the reduction that they feel the DCI
	will support. A logical course of events, and one that is
25X1A1a	being conjectured, is that the Bureau of the Budget will
	then say that it will allow a property increase in its
25X1A1a	established ceiling of for operations, and
25X1A1a	release the in Reserve. This would make a
25X1A1a 25X1A1a 25X1A1a	total of increase to the for a total
	operating budget in FY 66 of million.

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A statement has been made that, upon justification 25X1A1a of individual projects, an additional would be released from the Agency Reserve held by the BOB. While this statement was vague and unsupportable, it may 25X1A6a will, upon reflect that operations such as justification, be approved for funding supplemental to the 25X1A1a cut by the BOB, about 4. Of the 25X1A1a was attributable to arithmetic related to personnel. By computation of underslotting in grade (GS-5 in GS-6 slot), failure to fill positions for the full year (A.E. figures), and a 20 per cent cut in allowed overtime, 25X1A1a was arrived at. The importance of this cut could be negligible if one believes that the Agency submission allowed for a higher factor in A.E. and slotting than was realistic.

5. DD/S&T request went in for and was cut cut for a total of interesting that the cut equates to almost exactly 50 per cent of the requested increase of 25X1A1a for our FY 66 over FY 65 figures. The correlation is too close to be ignored.

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- 6. An academic exercise that produced an interesting figure was performed and we found that whereas the Agency Budget was cut 7.15 per cent, DD/S&T figure was cut 8.8 per cent. We have no way of knowing the relationship between the requested increases of the Agency as a whole—we do know that we were requesting 20 per cent and ended up with about a 10 per cent increase.
- 7. Some remarks pertinent to the mark-ups as we received them from OBPAM are as follows:

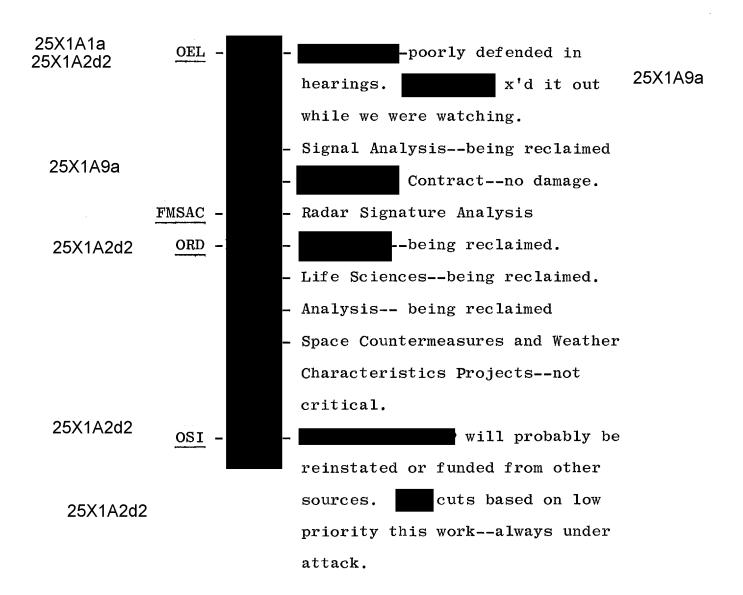
-no damage here as the OCS is part of the 360 system which we intend to lease or purchase during FY 66. 25X1A1&5X1A2d2 -a serious cut to an R&D project that should go forward for total Agency benefit. DD/S&T is not a 25X1A9a prime loser and who handles DD/I budget as well as DD/S&T. will undertake reclama action from DD/I. Travel--OSA states this needed urgently OSA 25X1A1a Program. Reclama action 25X1A2d2 started 25X1A1a

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PP/DD/S&T